

## Message Text

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TAGS: OVIP, ENRG, EEC, US

SUBJECT: SCHLESINGER PRESS CONFERENCE AT EC COMMISSION

FOLLOWING IS THE FULL TEXT OF THE JOINT PRESS CONFERENCE  
HELD BY SECRETARY OF ENERGY JAMES SCHLESINGER AND EC  
COMMISSIONER GUIDO BRUNER OCTOBER 8 AT EC COMMISSION  
HEADQUARTERS IN BRUSSELS.  
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ELPHICK (EC SPOKESMAN): GOOD MORNING, LADIES AND  
GENTLEMEN. WE WELCOME TODAY MR. SCHLESINGER, THE U.S.  
SECRETARY OF ENERGY, WITH MR. BRUNNER. NMR. BRUNNER WOULD  
LIKE TO BEGIN THE PROCEEDINGS BY MAKING A SHORT  
INTRODUCTION.

BRUNNER: WELL, I'M VERY GLAD THAT THE SECRETARY IS HERE.  
WE HAD VERY GOOD TALKS. WE HAVE BEEN AS SPECIFIC AS  
POSSIBLE, WE ARE BOTH MAKING A CONSIDERABLE ENERGY SAVING  
EFFORT. I THINK IT IS IMPORTANT THAT WE DO THIS AND

THEREFORE WE WISH THE SECRETARY WELL WITH HIS EFFORTS TO PASS THE REQUIRED LEGISLATION. THE INTERESTS OF THE COMMUNITY AND THE INTERESTS OF THE UNITED STATES, AS I SEE THEM, ARE PARALLEL IN THIS AREA. IF WE SUCCEED IN MAKING THIS EFFORT AND IF WE, IN THE COMMUNITY, HAVE SET OURSELVES THE AIM OF 15 SAVING BY 1985 WE WILL BE CREDIBLE; WE WILL BE CREDIBLE VIS-A-VIS THE PRODUCERS OF OIL, AND THEREFORE WE WILL CONSIDER THIS AS ONE ELEMENT IN THE PRICE FINDING (SIC). I THINK IT IS ABSOLUTELY ESSENTIAL THAT WE HAVE SUCCESSES HERE. IN ADDITION, WE HAVE BEEN DISCUSSING THE NECESSARY EFFORT TO REDUCE THE DEPENDENCY. WE HAVE TO DEVELOP OUR OWN SOURCES AS MUCH AS POSSIBLE. THIS INCLUDES NUCLEAR ENERGY. WE HAVE ABSOLUTELY TO TRY TO CONTINUE THE EFFORT TO DEVELOP THIS TESTED TECHNOLOGY. WE KNOW ABOUT THE PROBLEMS BUT NEVERTHELESS THERE IS NO OTHER WAY OF PROCEEDING. AND I AM VERY GLAD THAT HERE WE SEE EYE TO EYE. THEN WE HAVE CONTINUED TO DISCUSS THE OVERALL ENERGY SITUATION AND THE DIFFERENT SECTORS INCLUDING COAL AND ALTERNATIVE SOURCES OF ENERGY. WE HAVE AGREED UPON A SERIES OF RESEARCH AND DEVELOPMENT PROJECTS IN DIFFERENT AREAS AND I THINK THAT THERE WE CAN SUPPLEMENT BILATERALLY THE EFFORT WE ARE UNCLASSIFIED

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MAKING IN COMMON IN THE RESEARCH FIELD IN THE ENERGY AGENCY IN PARIS. AND AT LAST I THINK WE, IN THE EUROPEAN COMMUNITY, DEPEND TO A LARGE EXTENT UPON WHAT SUCCESSES THE ENERGY POLICY IN THE UNITED STATES HAS. WE HAVE TO TRY TO SEE EYE TO EYE ON THESE MATTERS AND WE HAVE TO WORK ON THE BASIS OF MUTUAL TRUST. I THINK THIS IS ESSENTIAL AND IT COVERS TWO MAIN THINGS IN THE NUCLEAR FIELD. IT COVERS OUR TRUST IN THE UNITED STATES AS A RELIABLE SUPPLIER OF URANIUM; AND ON THE OTHER HAND, I THINK IT IS IMPORTANT THAT EVERYBODY IN THE WORLD SHOULD KNOW THAT WE HAVE A WORKING SAFEGUARD SYSTEM IN EURATOM, THAT WE HAVE VERIFICATION ARRANGEMENTS WITH THE VIENNA AGENCY AND THAT THIS REGION IS THE BEST INSPECTED REGION IN THE WORLD. I THINK THAT WITH THIS IN MIND WE CAN CONTINUE OUR COOPERATION AND THAT THIS IS ONLY A FIRST STEP. I HOPE THAT WE WILL BE ABLE TO SEE THE SECRETARY HERE VERY OFTEN. THANK YOU VERY MUCH. PERHAPS YOU WOULD LIKE TO SAY SOMETHING.

SCHLESINGER: WELL, THANK YOU VERY MUCH, MR. BRUNNER. IT IS A PLEASURE FOR ME TO BE HERE IN BRUSSELS TO DISCUSS WITH THE EUROPEAN COMMUNITIES OUR MUTUAL INTERESTS IN ENERGY. GIVEN THE NATURE OF THE ENERGY PROBLEM WE REQUIRE MUTUAL STRENGTHENING. IN THAT REGARD I WAS ENCOURAGED BY THE OBSERVATIONS MADE BY THE COMMISSIONERS THIS MORNING WITH REGARD TO THE IMPORTANCE OF OUR PROGRAM IN THE UNITED STATES, NOT ONLY FROM THE PERSPECTIVE OF THE UNITED STATES, BUT FROM THE PERSPECTIVE

OF WESTERN EUROPE AND THE REST OF THE INDUSTRIALIZED AND  
NON-INDUSTRIALIZED WORLD. ENERGY AS WE SEE IT JOINTLY  
IS THE MAIN PROBLEM WITH RESPECT TO THE REVIVAL OF  
ECONOMIC PERFORMANCE AROUND THE WORLD. WE DID DISCUSS  
MATTERS OF INVESTMENT, STRUCTURAL CHANGES IN THE  
ECONOMIES OF WESTERN EUROPE AND IN THE UNITED STATES AND  
OTHER SUCH MATTERS. I SHOULD ALSO STRESS UNDER THE  
RUBRIC OF MUTUAL STRENGTH AND ENERGY THAT THE UNITED  
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STATES HAS ALWAYS STOOD FOR STRENGTHENING OF THE BONDS  
IN WESTERN EUROPE, LEADING ULTIMATELY, WE BELIEVE. TO  
EUROPEAN UNITY, AND IN THIS REGARD IT IS NECESSARY BECAUSE  
OF THE ENERGY PROBLEM, AS WELL AS OTHER POLITICAL PROBLEMS  
FOR ALL OF US TO PULL TOGETHER. THE WORLD WILL HAVE TO  
GO THROUGH A CRUEL TRANSITION AS IT MOVES AWAY FROM ITS  
DEPENDENCY ON OIL AND WE NEED TO HAVE AROUND THE WORLD,  
AMONGST THE VARIED NATIONS, A SENSE OF COMMON PURPOSE.  
TO THAT SENSE OF COMMON PURPOSE THE EUROPEAN COMMUNITIES  
MAKE A CONSIDERABLE CONTRIBUTION. THE MAJOR POINTS THAT  
WERE COVERED IN THIS MORNING'S MEETING HAVE BEEN COVERED  
BY MR. BRUNNER. ALL OF US NEED TO CONSERVE AND MOVE  
TOWARDS ALTERNATIVE SOURCES OF SUPPLY. WE RECOGNIZE  
THAT THE NUCLEAR PROGRAMS IN OUR SEVERAL NATIONS WILL  
GROW, NEED TO GROW, IF WE ARE TO MAINTAIN ECONOMIC  
GROWTH IN OUR RESPECTIVE NATIONS AND IF WE ARE TO AVOID  
EITHER ENERGY SHORTFALL OR EXCESSIVE  
DEPENDENCE UPON A RESOURCE THAT, IN THE FUTURE, WILL BE  
Dwindling in availability. WE, OF COURSE, HAVE ALWAYS  
ENDORSED THE INSPECTION PROCEDURES OF EURATOM AND WE  
CONTINUE TO ENDORSE THOSE INSPECTION PROCEDURES. THEY  
ARE EFFECTIVE PROCEDURES. IT IS TRUE, HOWEVER, THAT  
CONGRESS IS CONSIDERING ADDITIONAL LEGISLATION IN  
THE NON-PROLIFERATION AREA AND THAT SOME OF THE CRITERIA  
WILL HAVE TO BE RECONSIDERED IN THE FUTURE, BUT FOR THE  
MOMENT I WANT TO UNDERSCORE THE CONFIDENCE THE UNITED  
STATES HAS IN THE INSPECTION PROCEDURES OF EURATOM AND  
ALSO TO UNDERSCORE THAT THE UNITED STATES WILL CONTINUE  
TO BE A RELIABLE SOURCE OF SUPPLY FOR ENRICHED URANIUM.

BRUNNER: THANK YOU MR. SECRETARY. ARE THERE SOME  
QUESTIONS? WOULD YOU LIKE TO START. JOHN?  
THE GUARDIAN (JOHN PALMER): MR. SCHLESINGER, IF I MIGHT,  
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COULD YOU COMMENT ON THE LATEST MEASURES WHICH HAVE BEEN  
TAKEN IN THE U.S. SENATE WHICH LOOK LIKE MAKING MUCH MORE  
DIFFICULT PRESIDENT CARTER'S PROPOSED TAXATION ON VARIOUS  
FORMS OF ENERGY. SECONDLY, COULD YOU COMMENT ON THE  
DANGERS THAT SOME OBSERVERS FEEL IN THE CONTINUED FALL IN

THE WORLD VALUE OF THE DOLLAR IN THE CONTEXT OF FUTURE OPEC PRICE DECISIONS, BEARING IN MIND THE STOCKHOLM COMMUNIQUE WHICH WARNED THAT THEY WOULD RECONSIDER THE OIL PRICE DECISIONS IF THERE WAS NO STABILITY IN THE INTERNATIONAL VALUE OF THE DOLLAR.

SCHLESINGER: THE FIRST ISSUE, CERTAIN RECENT ACTIONS TAKEN BY THE SENATE FINANCE COMMITTEE. LET ME STRESS ONCE AGAIN THAT THE LEGISLATIVE PROCESS IN THE AMERICAN CONGRESS IS LONG AND COMPLEX. THERE HAVE BEEN SET BACKS BEFORE. UNDOUBTEDLY, THIS CANNOT BE CONSIDERED A MOVEMENT FORWARD. FROM THE FIRST, THE ISSUE HAS BEEN WHETHER OR NOT THE UNITED STATES IS GOING TO BE SERIOUS ABOUT THESE MATTERS. CERTAINLY THIS SUGGESTS, IN THE SHORT - IN THE IMMEDIATE - IN THE PRESENT, THAT WE MAY BE LESS SERIOUS IMMEDIATELY THAN MIGHT BE HOPED. I SUSPECT FIRST THAT THE ULTIMATE BILL THAT EMERGES FROM THE CONGRESS WILL BE A SATISFACTORY ONE. IF IT IS NOT A SATISFACTORY ONE WE FULLY INTEND TO GO BACK NEXT YEAR TO INSURE THAT WE HAVE A SATISFACTORY OUTCOME. WITH REGARD TO THE SECOND QUESTION. THE IMPACT OF THE CHANGES IN INTERNATIONAL FINANCIAL MARKETS WITH, ACCORDING TO THE QUESTION, THE POSSIBILITY OF DECLINE IN THE DOLLAR AND WHAT THAT MIGHT IMPLY FOR THE FUTURE OIL PRICE INCREASES. I AM NOT IN THE BEST POSITION TO COMMENT ON THAT. IT IS IN THE PROVINCE OF THE DEPARTMENT OF TREASURY. HOWEVER, IT CONTINUES TO BE THE OBJECTIVE OF THE PRESIDENT AND OF THE TREASURY DEPARTMENT THAT THE DOLLAR, WHICH IS A KEY CURRENCY, REMAINS A STABLE SOURCE OF VALUE. WE WOULD LOOK WITH APPREHENSION UPON MOVEMENTS OF THE VALUE OF THE DOLLAR SUCH THAT IT IS NO LONGER A STABLE CURRENCY, UNCLASSIFIED

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SUCH THAT THE OIL PRODUCING COUNTRIES MIGHT WISH TO ADJUST PRICES FOR THAT REASON.

WALL STREET JOURNAL (KAREN ELLIOT): BEARING IN MIND THE STOCKHOLM COMMUNIQUE AND THE POINT YOU JUST MADE ABOUT THE DOLLAR, DO YOU EXPECT THE ARABS TO RAISE THE PRICE, OR OPEC TO RAISE THE PRICE OF OIL, IN THE IMMEDIATE FUTURE?

SCHLESSINGER: THE ANSWER IS THAT WE CANNOT PREDICT AT THIS TIME WHAT ACTION MIGHT BE TAKEN, WHAT PROPOSALS WILL BE ACTED ON BY THE OPEC NATIONS. I THINK MR. BRUNNER HAS POINTED OUT THE IMPORTANCE OF AVOIDING PRICE INCREASES, THAT IF PRICE INCREASES COME THAT THEY SHOULD BE AS LIMITED AS IT POSSIBLE AND THAT IT WILL BE THE OBJECTIVE OF BOTH THE UNITED STATES GOVERNMENT AND THE EUROPEAN COMMUNITIES TO RESIST PRICE INCREASES THAT WOULD BE DISRUPTIVE TO THE WESTERN ECONOMIES.

SUNDAY TIMES (KEITH RICHARDSON): CAN I COME BACK TO THE

BILL AND ITS DIFFICULTIES IN WASHINGTON. IF IT GOES THROUGH IN A SERIOUSLY WEAKENED FORM, WHICH I THINK IS WHAT MOST EUROPEAN OBSERVERS EXPECT, HOW SERIOUSLY WOULD THAT INHIBIT. CAN YOU PUT ANY QUANTITATIVE, ANY FIGURE, ON WHAT THAT WOULD DO TO YOUR TARGET OF ENERGY SAVING THROUGH 1985. AND COULD YOU SAY SOMETHING ABOUT WHAT ALTERNATIVE MEASURES THE PRESIDENT COULD TAKE. THERE IS TALK ABOUT THE PRESIDENT'S POWER TO IMPOSE TAXATION OF HIS OWN VIOLITION. COULD YOU SPELL THIS OUT A LITTLE BIT MORE CLEARLY AND SAY HOW FAR THAT WOULD RECOVER THE LOSSES?

SCHLESSINGER: THE OBJECTIVE OF THE ENERGY PLAN IS TO REDUCE THE USE OF OIL BY APPROXIMATELY FOUR MILLION UNCLASSIFIED

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BARRELS A DAY, HALF OF WHICH WOULD COME THROUGH CONSERVATION, HALF OF WHICH WOULD COME THROUGH SHIFTS TO COAL. THE IMPACT OF THE TAX MEASURES, I THINK, ARE PRINCIPALLY IN THE AREAS OF SHIFTS TO COAL OR TO OTHER MORE ABUNDANT FUELS. THE IMPACT OF THE SENATE ACTION WOULD BE TO REDUCE INTENDED SAVINGS BY APPROXIMATELY 50. THAT IS SOMETHING THAT IS NOT ACCEPTABLE. THE PRESIDENT HAS INDICATED FROM THE FIRST THAT WE MUST BE SERIOUS ABOUT THE ENERGY PROBLEM BEFORE THE ENERGY PROBLEM OVERWHELMS US. THERE IS AN INEVITABILITY ABOUT OUR ACTION IN THIS AREA. I THINK THAT ULTIMATELY, THE ULTIMATE RESULT IN THE CONGRESSIONAL DELIBERATIONS WILL BE SATISFACTORY. ONE MUST RECALL THAT THE SENATE WILL GO TO CONFERENCE WITH THE HOUSE, AND THAT THE HOUSE BILL IS A REMARKABLE ACHIEVEMENT ON THE PART OF THE HOUSE IN A BRIEF PERIOD OF TIME. WE TRUST THAT THE OUTCOME IN THE CONFERENCE WILL BE CLOSER TO THE HOUSE VERSION. YOU POINT OUT THAT THE PRESIDENT DOES INDEED HAVE INDEPENDENT AUTHORITY THAT HAS BEEN GIVEN TO HIM BY PRIOR LEGISLATION. SOMETHING APPROACHING \$5 A BARREL IMPORT FEES WHICH THE PRESIDENT CAN IMPOSE UNDER SECTION 2.3.2 OF THE TRADE EXPANSION ACT WOULD ACHIEVE PRECISELY THE SAME FISCAL AND PRICE RESULTS AS WOULD THE WELL-HEAD EQUALIZATION TAX. IN THAT AREA, OF COURSE, THE PRESIDENT HAS NOT MADE ANY FINAL DECISIONS BUT HE HAS AUTHORIZED US TO PROCEED WITH CONTINGENCY PLANS IN THE EVENT THAT THERE IS NOT AN APPROPRIATE RESOLUTION OF THIS MATTER BY THE CONGRESS. IN ADDITION, THERE ARE OTHER AUTHORITIES THAT THE PRESIDENT POSSESSES, THAT WE SHALL HAVE TO EXAMINE WITH CARE. THERE IS NO QUESTION THAT THE US MUST LIVE UP TO ITS RESPONSIBILITY, MUST PROVIDE IN THIS MATTER, BULKING AS LARGE AS IT DOES IN THE INTERNATIONAL OIL MARKET, AN APPROPRIATE DEGREE OF LEADERSHIP. IF THE US FAILS IN THIS AREA, THE INDUSTRIALIZED WORLD, INDEED THE ENTIRE WORLD OF CONSUMERS WILL FAIL. THEREFORE, WE CANNOT AFFORD TO FAIL

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AND WE SHALL EXAMINE EXISTING AUTHORITIES AND SEEK MORE IN THE FUTURE IN ORDER TO OFFSET ANY SLIPPAGE THAT MAY EXIST IN THE PROGRAM. LET ME REITERATE THAT IS ONLY PHASE I. WE INTENDED FROM THE FIRST TO COME BACK WITH ADDITIONAL MEASURES AS REQUIRED TO ACHIEVE THE PRESIDENT'S TARGET OF 1985.

CBS (MIKE LANDERS). SENATOR RIBICOFF SAYS THAT THE ADMINISTRATION'S BILL IS IN SUCH DEEP TROUBLE IN THE SENATE, IT JUST WON'T FLY AS IS, AND YOU OUGHT TO GIVE UP, SCRAP IT, GO BACK TO THE DRAWING BOARD AND START ALL OVER AGAIN. WHERE DO YOU TAKE YOUR OPTIMISM THAT SOMETHING ACCEPTABLE WILL COME OUT OF THE SENATE?

SCHLESINGER: I HAVE INDICATED THAT THE ULTIMATE BILL THAT COMES OUT OF THE CONGRESS WILL BE A SATISFACTORY ONE FOR THE FIRST PHASE. THAT IS A MATTER OF CONFIDENCE. AS YOU INDICATE, THAT MAY BE A MATTER OF MISPLACED CONFIDENCE. THE HOUSE HAS ACTED, I THINK, BOLDLY IN THIS MATTER. WE WOULD HOPE THAT THE ULTIMATE OUTCOME IN THE SENATE WILL BE SUCH THAT, IN COMPROMISE, IN CONFERENCE, THAT THE OUTCOME WILL MOVE US TOWARDS REDUCED LEVELS OF IMPORTATION IN THE 1980'S. LET ME ALSO ASSERT THAT THE MEASURES THAT THE PRESIDENT HAS PROPOSED ARE PAINFUL. IT REFLECTS TAKING A SMALL AMOUNT OF PAIN AT THE PRESENT TIME TO AVOID FAR GREATER CONSEQUENCES AT A LATER DATE. WE NEVER EXPECTED THAT THESE MEASURES WOULD BE APPEALING. CONSUMERS, ON THE ONE HAND, BELIEVE THAT SOMEHOW OR OTHER THAT THE ERA OF CHEAP AND ABUNDANT ENERGY CAN CONTINUE. PRODUCERS HOPE THAT THEY WILL BE IN A POSITION TO EXTRACT THE MAJOR SHARE OF THE GAINS

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RESULTING FROM A PERIOD OF SCARCITY. NEITHER SHOULD BE PERMITTED OR CAN BE PERMITTED TO TAKE PLACE. THE MEASURES THAT THE PRESIDENT HAS PROPOSED ARE PAINFUL. NEVERTHELESS, WE MUST RECOGNIZE THAT THIS SET OF MEASURES REPRESENT BASICALLY THE ONLY KINDS OF MEASURES THAT CAN DEAL WITH THE PROBLEM THROUGH ESSENTIALLY PRICE MECHANICAL FORCES RATHER THAN THROUGH A SYSTEM OF DIRECT INTERVENTION BY THE GOVERNMENT IN THE AFFAIRS OF INDIVIDUALS AND CORPORATIONS. IF WE FAIL TO TAKE THESE GENERAL MEASURES NOW, WHICH ARE MODERATE AND MODEST, WE WILL DISCOVER IN THE 1980'S THAT THERE IS A FAR GREATER DEGREE OF GOVERNMENT INTERVENTION IN ECONOMIC

AFFAIRS THAN WOULD OTHERWISE BE THE CASE.

LE FIGARO (JEAN LECERF):IN ALL COUNTRIES THERE IS  
OPPOSITION TO THE DEVELOPMENT OF NUCLEAR ENERGY. DO  
YOU THINK, ON THE BASIS OF THE STUDIES MADE IN YOUR  
COUNTRY, THAT THIS DEVELOPMENT IS THREATENED? DO  
YOU BELIEVE YOU CAN CONVINCE THE OPPONENTS (OF  
NUCLEAR ENERGY) AND BY WHAT ARGUMENTS?

SCHLESINGER: THERE IS SOME OPPOSITION TO THE GROWTH  
OF NUCLEAR POWER THAT IS BASED UPON STEADFAST  
OPPOSITION TO THE CONCEPT OF NUCLEAR POWER. I DOUBT  
THAT SUCH PEOPLE WILL BE CONVINCED BY ARGUMENTS.  
ON THE OTHER HAND I THINK THAT A GREAT PART OF THE  
SOCIETY WILL BE CONVINCED OF THE NECESSITY  
OF PROVIDING ADDITIONAL ENERGY IN FORMS THAT WILL BE  
AVAILABLE IN THE FUTURE, AS OPPOSED TO OIL WHICH DEPENDS  
UPON AN AVAILABILITY OF FOREIGN EXCHANGE, AND  
ULTIMATELY AN AVAILABILITY OF SUPPLY, THAT CANNOT  
BE FORTHCOMING. CONSEQUENTLY, SOME MAY REGARD NUCLEAR  
ENERGY, AS THE PRESIDENT HAS DESCRIBED IT, AS A LAST  
RESORT, BUT WE WILL BE DOWN TO LAST RESORTS. I BELIEVE  
THAT WHEN THE ULTIMATE CHOICE IS MADE BETWEEN THE  
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PRESERVATION OF THE ECONOMY, CONTINUED ECONOMIC GROWTH  
WITH GROWTH OF JOBS, PRODUCTION AND PRODUCTIVITY, THAT THE  
DOUBTS ABOUT NUCLEAR POWER IN ALL THESE DEMOCRACIES WILL  
BE WAIVED.

WASHINGTON POST (BILL DROZDIK): HAS THE ADMINISTRATION  
FINALLY ACCEPTED THE FACT THAT EUROPE MUST PROCEED TO  
BUILD -- TO START BUILDING-- REACTORS, AND IF SO,  
ARE ANY JOINT ARRANGEMENTS BEING WORKED OUT BETWEEN THE  
TWO AS TO WHO WOULD CONTROL THE PRODUCTION OF  
PLUTONIUM THAT WOULD RESULT?

SCHLESINGER: I THINK THAT WE MUST KEEP THE MATTER OF TIME  
FIRMLY IN MIND. BOTH EUROPE AND THE UNITED STATES  
ARE IN THE R AND D PHASE WITH REGARD TO BREEDER  
REACTORS. THE APPROACH TO THE PROBLEM OF R AND D ARE  
SOMEWHAT DIFFERENT IN EUROPE AND IN THE UNITED STATES.  
THERE ARE SOME DIFFERENCES OF VIEW IN THIS MATTER.  
BUT THOSE DIFFERENCES OF VIEW HAVE BEEN VASTLY  
EXAGGERATED. THE ISSUE, IT SEEMS TO ME, HAS BEEN  
UNDULY INFLAMED. WE ARE PROCEEDING WITH A MAJOR  
RESEARCH AND DEVELOPMENT PROGRAM IN THE BREEDER AREA.  
WE ARE SPENDING, AS A MATTER OF FACT, FAR MORE MONEY  
THAN IS BEING SPENT IN EUROPE WITH REGARD TO THE  
DEVELOPMENT OF BREEDERS. EUROPE IS PROCEEDING  
WITH ITS OWN R AND D IN THIS AREA. THE PRESIDENT HAS  
SUGGESTED THAT BEFORE WE COMMIT OURSELVES TO A BREEDER

ERA, BEFORE WE PLUNGE PELL-MELL INTO THE PLUTONIUM ECONOMY, THAT WE DEFER THESE MATTERS FOR TWO PURPOSES. FIRST TO SEE WHETHER THERE ARE ACCEPTABLE ALTERNATIVES. SECONDLY, TO SEE WHETHER THE TECHNOLOGIES CAN BE IMPROVED TO REDUCE THE RISK OF PROLIFERATION. I THINK THAT THOSE GENERAL OBJECTIVES ARE SHARED  
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IN EUROPE. THE EUROPEANS WILL MAKE THEIR OWN DECISIONS WITH REGARD TO THE PACE OF THEIR R AND D ACTIVITIES. THEY WILL PAY ATTENTION TO THE URGINGS OF THE PRESIDENT OF THE UNITED STATES. THE PRESIDENT HAS INDICATED THAT OTHER COUNTRIES WILL HAVE TO MAKE THEIR OWN DECISIONS. I DO NOT THINK THAT -- GOING BACK TO THE ISSUE OF TIME PHASING -- THAT ANYONE SHOULD EXPECT THAT THE BREEDER ERA WILL BE ON US IN THE IMMEDIATE FUTURE OR THAT THE BREEDER WILL MAKE A MAJOR CONTRIBUTION TO SOLVING OUR ENERGY PROBLEMS IN THE NEAR TERM, WHICH IS THE TERM OF MOST DESPERATE URGENCY.

BELGA AGENCY (WILLY HELIN): I WOULD LIKE TO KNOW WHETHER YOU DISCUSSED AT ALL THE ISSUE OF NUCLEAR FUSION PROGRAMS AND, IN THAT CASE, IF YOU DID SO, HOW WOULD YOU JUDGE THE POSSIBILITY OF COOPERATION WITH EUROPE AT THIS STAGE?

SCHLESINGER: IT WAS TOUCHED ON VERY BRIEFLY. STAFFS WILL BE MEETING WITH RESPECT TO R AND D COOPERATION ON FUSION AS WELL AS IN OTHER AREAS, BUT THE CONVERSATIONS WERE PRIMARILY A BRIEF ALLUSION RATHER THAN IN DETAIL.

BRUNNER: LET ME VOLUNTEER HERE A COMMENT. IT'S EASIER THAN ON THE BREEDER. (THE LEADING) ORGANIZATION IN THIS FIELD IS THE ENERGY AGENCY IN PARIS, AND THERE THE UNITED STATES AND THE EUROPEAN COMMUNITY HAVE A GOOD AREA OF COOPERATION. YOU KNOW THAT WE ARE STILL TRYING TO MAKE ONE IMPORTANT PROJECT POSSIBLE, WHICH IS THE JET, AND THAT IS BECOMING A MATTER OF GREAT, GREAT URGENCY. THERE ARE SIMILAR DEVELOPMENTS GOING ON IN THE UNITED STATES IN PRINCETON. I THINK THAT HERE, ALTHOUGH WE ARE NOT DIRECTLY COOPERATING IN ONE PROJECT, THIS PARALLELISM OF RESEARCH IS MEANINGFUL, PERHAPS NOT FOR THE IMMEDIATE FUTURE, BUT FOR THE FUTURE.

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UNIDENTIFIED AMERICAN: HERR BRUNNER, COULD YOU COMMENT ON WHAT WOULD BE THE EFFECT ON THE EUROPEAN COMMUNITY OF THE FAILURE TO PASS A COMPREHENSIVE ENERGY BILL THIS YEAR -- ON YOUR ENERGY PLANNING AND EFFORTS?



BRUNNER: I THINK THAT THE UNITED STATES HAS TO COME TO A CONSIDERABLE ENERGY SAVING EITHER THROUGH LEGISLATION, OR THROUGH GOVERNMENTAL DECISION. IT CANNOT CONTINUE FOR LONG THAT THE UNITED STATES IS IN THE OIL MARKET TO THE TUNE IT IS NOW, NAMELY ABSORBING MORE OR LESS THE WHOLE PRODUCTION OF SAUDI ARABIA, TO PUT AN EXAMPLE TO YOU.

I THINK IN THE LONG RUN THE UNITED STATES ADMINISTRATION AND WE IN THE EUROPEAN COMMUNITY AGREE THAT IT IS NOT GOOD THAT THE UNITED STATES IS CONSUMING PER CAPITA THE DOUBLE OF ENERGY THAT WE HERE IN EUROPE ARE DOING. AND BY SAYING THIS I DO NOT IMPLY THAT WE ARE DOING VERY WELL IN EUROPE. WE HAVE HAD A CERTAIN AMOUNT OF ENERGY SAVING WHICH IS DUE TO THE RECESSION. I THINK WE HAVE TO TRY TO IMPROVE THINGS CONSIDERABLY. WE ARE WORKING ON THE NECESSARY MEANS. WE WILL BE SUBMITTING TO THE COUNCIL OF MINISTERS WHICH WILL MEET ON THE 25TH OF OCTOBER ONE DIRECTIVE AND SEVERAL RECOMMENDATIONS IN THE FIELD OF ENERGY SAVING, AND THIS IS ONLY A FIRST STEP. WE INTEND TO PURSUE THIS PART, AND WE INTEND TO DO OUR BEST TO REACH THE TARGET OF 15 REDUCTION IN THE CONSUMPTION OF ENERGY IN EUROPE BY 1985.

MCGRAWHILL (MARION BYWATER): WHILE IT MIGHT BE POSSIBLE THAT BY THE TIME FAST BREEDERS BECOME COMMERCIAL, AMERICA AND THE EEC WILL SEE EYE TO EYE ON THE APPROACH TO FAST BREEDER TECHNOLOGY. DID YOU DISCUSS WHAT SEEMS TO BE FUNDAMENTAL DIFFERENCES IN THE UNCLASSIFIED

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APPROACH TO REPROCESSING WHICH IS SOMETHING WHICH IS HERE AND NOW IN EUROPE AT THE MOMENT?

SCHLESINGER: WE DISCUSSED THE MATTER OF REPROCESSING TO SOME EXTENT, INCLUDING CERTAIN DIFFICULTIES THAT THE AMERICAN APPROACH TO THE PROBLEM OF REPROCESSING MAY IMPLY FOR THE EUROPEAN COMMUNITIES AND FOR THE MEMBER NATIONS. THAT WAS DISCUSSED IN ADDITION AT SOME LENGTH IN BONN YESTERDAY. WE ALSO DISCUSSED MEASURES, APPROACHES, THAT MIGHT EASE THE DIFFICULTIES, ALTHOUGH NO DECISIONS WERE TAKEN IN THAT REGARD. LET ME SAY, HOWEVER, WITH REGARD TO THE ISSUE OF REPROCESSING, THAT IT IS OUR JUDGMENT THAT ON TECHNICAL GROUNDS, ON TECHNICAL GROUNDS, THAT REPROCESSING CAN BE DEFERRED FOR AS MUCH AS A DECADE WITH NO SUBSTANTIAL COSTS. HOWEVER, THERE ARE POLITICAL OR LEGAL PROBLEMS IN CERTAIN COUNTRIES THAT MUST BE FACED UP TO AS WELL AS THESE TECHNICAL PROBLEMS. AND I BELIEVE THAT THESE POLITICAL AND LEGAL PROBLEMS WILL BE FACED WITH A SPIRIT OF MUTUAL TRUST AND A DESIRE TO EASE PROBLEMS ACROSS THE BOARD; AND THAT THE OUTCOME, I WOULD HOPE,

WOULD BE A SATISFACTORY ONE.

BRUNNER: I COULD ADD TO THIS THAT I WELCOME THE OPPORTUNITY TO BE ABLE TO POINT OUT TO THE SECRETARY THE CONDITIONS IN WHICH WE OPERATE IN EUROPE IN THIS AREA. I POINTED OUT THAT THE PROBLEMS OF THE NUCLEAR CYCLE AND OF THE MASTERING OF THE NUCLEAR CYCLE ARE VERY MUCH IN THE PUBLIC MIND; THAT IN MANY COUNTRIES IN EUROPE THE DEVELOPMENT OF NUCLEAR ENERGY IS, FROM THE POINT OF VIEW OF THE PUBLIC, DEPENDENT ON PROGRESS IN THIS AREA OF MASTERING THE CYCLE. AND THIS INCLUDES THE DEVELOPMENT OF THE REPROCESSING TECHNOLOGY. WE HAVE HERE, AS THE SECRETARY HAS POINTED OUT, IN EUROPE CERTAIN POLITICAL CONDITIONS, CONDITIONS OF PUBLIC OPINION, WHICH REQUIRE SPECIAL ATTENTION. WE ARE MAKING A CONSIDERABLE RESEARCH EFFORT IN THE UNCLASSIFIED

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FIELD OF NUCLEAR WASTE MANAGEMENT. I HOPE WE WILL BE ABLE, AS TIME GOES BY, TO DEVELOP REPROCESSING TECHNOLOGY IN SUCH A WAY THAT SOME OF THE PROBLEMS CONNECTED WITH IT ARE BEING OVERCOME. WE LIVE HERE IN EUROPE IN DIFFERENT GEOGRAPHIC AND GEOLOGICAL CONDITIONS, AND FOR US THE PROBLEM OF INTERMEDIATE WASTE DISPOSAL IS MORE ACUTE AND MORE DIFFICULT TO SOLVE. BUT WE ARE NOW, BOTH THE UNITED STATES AND MANY OTHER COUNTRIES AND WE, AT THE BEGINNING OF A COMMON EFFORT TO STUDY THE NUCLEAR FUEL CYCLE. I THINK THIS CONFERENCE WHICH WILL BEGIN AS A PRELIMINARY CONFERENCE IN WASHINGTON ON THE 19TH OF OCTOBER, WILL OFFER NEW AVENUES, AND WE ARE LOOKING FORWARD TO COOPERATING WITH THE UNITED STATES IN THIS FIELD.

DIE ZEIT (HANS HAGEN BREMER): YOU SAY THAT THE SAFEGUARD SYSTEM OF EURATOM HAS BEEN RECOGNIZED AS EFFECTIVE BY THE UNITED STATES GOVERNMENT. BUT WHAT IMPROVEMENTS DOES CONGRESS WISH TO HAVE IN THIS FIELD?

SCHLESINGER: THE QUESTION OF EURATOM CONTROLS: OVER THE YEARS THE UNITED STATES HAS SUPPORTED THE SPECIAL PROCEDURES THAT HAVE APPLIED TO EURATOM. WE HAVE BEEN PLEASED BY THE NEGOTIATIONS BETWEEN EURATOM AND I.A.E.A. WHICH HAVE BEEN SUCCESSFUL AND WE WILL CONTINUE TO SUPPORT THOSE TYPES OF INSPECTION PROCEDURES. CONGRESSIONAL LEGISLATION WOULD SUGGEST THE RENEGOTIATION OF OUR AGREEMENTS WITH EURATOM AND THOSE RENEGOTIATIONS WOULD, ACCORDING TO THE LEGISLATION, REQUIRE PRIOR CONSENT BY THE UNITED STATES PRIOR TO THE REPROCESSING OF U.S. SUPPLIED FUEL. FOR THE NEXT EIGHTEEN MONTHS, THE PRESIDENT HAS THE RIGHT TO WAIVE SUCH REQUIREMENTS, UNCLASSIFIED

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AND I WOULD TRUST THAT ONCE AGAIN, THROUGH A SPIRIT OF COOPERATION, THAT AN OUTCOME WILL BE ARRIVED AT THAT WOULD SATISFACTORY TO ALL PARTIES.

DELO AGENCY (BORIS VERDEC): IN A UNITED NATIONS SPEECH, HENRI SIMONET ADOPTED A VERY DIFFERENT POSITION FROM THE AMERICAN POSITION REGARDING THE TRANSFER OF NUCLEAR TECHNOLOGY TO THIRD COUNTRIES. HAVE YOU TODAY MANAGED TO NARROW THE GAP BETWEEN YOUR POSITIONS?

SCHLESINGER: THAT IS A MATTER THAT WAS NOT DISCUSSED TODAY I THINK THAT THE AMERICAN POSITION IS QUITE CLEAR, THAT THE TRANSFER OF TECHNOLOGY SHOULD BE UNDER FULL SCOPE SAFEGUARDS.

BRUNNER: IF I MAY ADD A COMMENT, I THINK LATELY THERE HAS BEEN SOME PROGRESS IN THIS AREA, AND IN PARTICULAR IN THE LONDON CLUB OF SUPPLIERS. FIVE MEMBERS OF THE EUROPEAN COMMUNITY PARTICIPATE IN THESE TALKS, AND I THINK THIS UNDERSTANDING IS A VALUABLE ONE.

EUROPEAN REPORT (CHRIS REDMAN): AM I TO UNDERSTAND THEN THAT THE UNITED STATES WOULD SANCTION EXPORTS OF SENSITIVE NUCLEAR TECHNOLOGY BY FRANCE AND GERMANY TO PAKISTAN AND BRAZIL; AND IF NOT, WHAT THE CRITERIA WOULD BE FOR RECOGNIZING THAT A COUNTRY IS CIVILIZED ENOUGH OR DEVELOPED ENOUGH TO HAVE SENSITIVE TECHNOLOGY?

SCHLESINGER: THE PRECISE DETAILS IN THAT AREA ARE THE RESPONSIBILITY OF THE DEPARTMENT OF STATE. GENERALLY SPEAKING, THE CRITERIA ARE THAT THE COUNTRY THAT IS A RECIPIENT MUST HAVE FULL SCOPE SAFEGUARDS AND MUST ADHERE TO THE NON-PROLIFERATION TREATY. THOSE ARE THE CRITERIA. WHETHER YOU REGARD THEM AS A MATTER OF CIVILIZATION OR NOT IS A JUDGMENT ON YOUR PART.

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LA STAMPA (RENATO PRONI): MR. SCHLESINGER, AND THE QUESTION CAN BE PUT ALSO TO MR. BRUNNER, WOULD YOU BE FAVORABLE TO CONDITIONING OIL FACILITY LOANS TO THE ACCEPTANCE OF SCHEMES TO SAVE ENERGY?

SCHLESINGER: SINCE THAT IS A QUESTION THAT INVOLVES THE ACTIVITIES OF A MULTINATIONAL ORGANIZATION, THE IMF, I AM GOING TO TURN IT OVER TO THE REPRESENTATIVE OF A MULTINATIONAL ORGANIZATION.

BRUNNER: WELL, WE CERTAINLY WOULD WELCOME TO GET MONEY FOR ENERGY SAVING FROM WHATEVER SOURCE WE CAN GET IT.

ELPHICK: I THINK ON THAT NOTE WE'LL THANK MR.  
SCHLESINGER FOR HIS TIME AND HIS PATIENCE, AND MR.  
BRUNNER, AND WISH YOU ALL A HAPPY WEEKEND. HINTON UNQUOTE VANCE

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## Message Attributes

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